

**THE OFFICE OF REGULATORY STAFF
DIRECT TESTIMONY AND EXHIBITS
OF
WILLIE J. MORGAN**



DOCKET NO. 2006-97-WS

**Application of Tega Cay Water Service, Inc.
for Adjustment of Rates and Charges and
Modifications to Certain Terms and
Conditions for the Provision of Water and
Sewer Service**

TESTIMONY OF WILLIE J. MORGAN**FOR****THE OFFICE OF REGULATORY STAFF****DOCKET NO. 2006-97-WS****IN RE: TEGA CAY WATER SERVICE, INC.**

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Willie J. Morgan, and my business address is 1441 Main Street, Suite 300, Columbia, South Carolina 29201. I am employed by the state of South Carolina, Office of Regulatory Staff ("ORS") as the Program Manager for the Water and Wastewater Department.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received a Bachelor of Science Degree in Engineering from the University of South Carolina in 1985 and a Master of Arts Degree in Management from Webster University in 2000. I am a licensed Professional Engineer registered in the State of South Carolina. My professional affiliations are as a member of the American Water Works Association ("AWWA"), the South Carolina Section of the American Water Works Association ("SC-AWWA") and the National Society

1 of Professional Engineers ("NSPE"). After graduating from the University of
2 South Carolina, I was employed by the South Carolina Department of Health and
3 Environmental Control ("DHEC") as an Environmental Engineer Associate.
4 Later, I was promoted to the position of Permitting Liaison where I assisted
5 industries and the public with environmental permitting requirements in the state
6 of South Carolina. This assistance included providing information about air
7 quality, solid and hazardous waste management, and water and wastewater
8 management requirements. I was employed by DHEC for nineteen years. On
9 October 2, 2004, I joined the ORS as the Program Manager for the Water and
10 Wastewater Department.

11 **Q. DO YOU HAVE ANY PUBLICATIONS TO YOUR CREDIT?**

12 A. Yes.

13 **Q. WHAT ARE THE NAMES OF SOME OF THOSE PUBLICATIONS?**

14 A. While at DHEC, I published several editions of a document called "A General
15 Guide to Environmental Permitting in South Carolina." This guide is a summary
16 of the various environmental requirements that affect businesses and industries
17 located or operating within the State of South Carolina. Another publication
18 authored includes a document called "Environmental Protection Fees." This
19 document is a summary of the fees charged for environmental programs. It
20 includes detailed information about the fee collected by water utilities to
21 implement the Safe Drinking Water Act Regulatory Program, fees collected from
22 wastewater utilities to manage the National Pollution Discharge Elimination

1 System (NPDES) Program, and fees collected for construction activities
2 associated with water and wastewater utilities.

3 **Q. CAN YOU DESCRIBE YOUR RESPONSIBILITIES AS THE PROGRAM**
4 **MANAGER FOR WATER AND WASTEWATER WITH THE OFFICE OF**
5 **REGULATORY STAFF?**

6 A. Yes. My responsibilities include performing analysis and providing testimony in
7 formal proceedings before the Public Service Commission of South Carolina
8 regarding rate base determinations, rate schedules, general terms and conditions,
9 cost of service and depreciation studies, and assuring compliance with applicable
10 rules and regulations. In addition, my responsibilities include monitoring federal
11 activity to determine its impact on state regulations and policies.

12 **Q. HAVE YOU COMPLETED ADDITIONAL TRAINING AND/OR**
13 **EDUCATION SINCE YOUR GRADUATION FROM THE UNIVERSITY**
14 **OF SOUTH CAROLINA?**

15 A. I have completed courses in preparation for the professional engineering
16 examination as well as various review and continuing professional education
17 courses. The continuing professional education courses include attendance at the
18 2004 Eastern National Association of Regulatory Utility Commissioners
19 ("NARUC") Utility Rate School: Basics of Ratesetting, the 2006 SC-AWWA
20 Annual Meeting, and other water and wastewater facility specific courses.

21 **Q. HOW LONG HAVE YOU PROVIDED REGULATORY OVERSIGHT**
22 **AND ENGINEERING SERVICES TO WATER AND WASTEWATER**
23 **FACILITIES?**

1 A. My experience includes over twenty years of regulatory compliance experience in
2 providing assistance and regulatory oversight for water and wastewater facilities.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
4 **PROCEEDING?**

5 A. The purpose of my testimony is to set forth the ORS staff findings relative to my
6 review of the rate increase application submitted by Tega Cay Water Service, Inc.
7 (“Tega Cay”). Specifically, I will focus on Tega Cay’s compliance with the
8 Public Service Commission (“Commission”) rules and regulations, ORS’s audit
9 of various Tega Cay water and wastewater facilities, test-year revenue and
10 proposed revenue adjustments, and financial assurance requirements.

11 **Q. ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS**
12 **TESTIMONY AND ACCOMPANYING EXHIBITS?**

13 A. Yes, my testimony and the attached exhibits detail ORS’s findings and
14 recommendations.

15 **Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR**
16 **TESTIMONY AND EXHIBITS.**

17 A. I used ORS audit results and information provided by Tega Cay in its Application,
18 Data Request responses, and additional information provided by Tega Cay. I also
19 reviewed Tega Cay’s financial statements and performance bond documents
20 submitted to the Commission.

21 **Q. PLEASE PROVIDE AN OVERVIEW OF THE LOCATIONS, SERVICE**
22 **TYPES AND CUSTOMER BASE SERVED BY TEGA CAY.**

1 A. Tega Cay is a public utility providing water supply service and wastewater
2 collection/treatment services. As a subsidiary of Utilities, Inc., Tega Cay is a
3 National Association of Regulatory Utility Commissioners ("NARUC") Class B
4 water utility in South Carolina. In addition, Tega Cay is a Class B wastewater
5 provider according to revenue reported on its 2005 Annual Report. Tega Cay's
6 service area includes a portion of York County. According to Tega Cay's
7 application for the test year ending September 30, 2005, water services were
8 provided to 1,828 residential and commercial customers. Likewise, wastewater
9 collection and treatment services were provided to 1,714 residential and
10 commercial customers. All of the Tega Cay customers are located in the Tega
11 Cay community of York County. Customer complaints are received and managed
12 by the office in West Columbia, South Carolina.

13 **Q. PLEASE EXPLAIN EXHIBIT WJM-1 OF YOUR REPORT.**

14 A. Exhibit WJM-1, consisting of three pages, provides a summary of the services
15 provided by Tega Cay based on the Business Office Compliance Review
16 completed by ORS. The Business Office Compliance Review consisted of a
17 review of Tega Cay's office records to determine compliance with PSC rules and
18 regulations.

19 As expected of a Class B water utility, Tega Cay utilizes a customized computer
20 database to capture all customer account transactions. The system tracks all
21 customer complaints received by the West Columbia, SC, office. Each complaint
22 is reflected in the specific customer account as a service order. Complaint
23 resolution data is clearly provided by date. Tega Cay's customer bills, disconnect

1 notices, payment plans and deposit receipts contain all required information and
2 are issued to customers in a timely manner. Invoice adjustments, deposit refunds,
3 late payment penalties and reconnection notices are automated, accurate and
4 timely. Overall, Tega Cay's business systems are well-suited to ensure
5 compliance with the administrative requirements of 26 S.C. Code Regs. 103
6 Articles 5 and 7. Tega Cay has met the Annual Report and Gross Receipts
7 requirements as well.

8 **Q. PLEASE EXPLAIN EXHIBIT WJM-2 OF YOUR REPORT.**

9 A. Exhibit WJM-2, consisting of 4 pages, is a summary of the water distribution and
10 wastewater collection and treatment services inspected by ORS in June 2006.

11 **Water Distribution**

12 Tega Cay currently provides adequate water distribution services to its residential
13 and commercial customers. Water is provided to customers by Tega Cay from an
14 outside bulk water provider, York County. Required operator logs were being
15 kept at all applicable ORS audited facilities. As required by the Commission
16 regulations, general housekeeping items including system entry points, access
17 roads and signage were found to be satisfactory during the audit. Potable water
18 and irrigation consumption is metered to all customers. Safe drinking water
19 quality standards are being met according to the recent DHEC sanitary survey
20 report.

21 Tega Cay provides fire protection service to its customers through the use of
22 eighty-two fire hydrants. However, during the last sanitary survey as shown in
23 Exhibit WJM-3, DHEC gave the Tega Cay system an "UNSATISFACTORY"

1 rating. Tega Cay has been cited with an "UNSATISFACTORY" rating based on
2 the system's need for added storage capacity. According to DHEC, a drinking
3 water system must have storage with two hours of combined domestic peak hour
4 flow available or ½ the daily maximum consumption, whichever is greater. As
5 was noted during the site review, York County had nearly completed the addition
6 of a 500,000 gallon elevated storage tank near the Tega Cay community. The
7 addition of the storage tank should enable Tega Cay to satisfy its environmental
8 compliance requirement of providing adequate storage capacity and make
9 additional storage in Tega Cay unnecessary if flow documentation continues to
10 indicate a daily demand of over 500,000 gallons per day.

11 **Wastewater Collection and Treatment Systems**

12 Tega Cay provides wastewater treatment at three locations in York County under
13 National Pollutant Discharge Elimination System ("NPDES") permits. During
14 the ORS inspection, all the wastewater collection and treatment systems were
15 operating adequately and in accordance with DHEC rules and regulations. No
16 construction activity is being proposed by Tega Cay for its wastewater collection
17 and treatment systems and no immediate need exists for upgrading the current
18 systems.

19 **Q. PLEASE EXPLAIN THE STATUS OF THE PERFORMANCE BOND FOR**
20 **TEGA CAY.**

21 **A.** ORS noted one deficiency during the Business Office Compliance Review. The
22 face amount of \$100,000 on the posted performance bond is insufficient to meet
23 the requirements of 26 S.C. Code Regs. 103-512.3.1 and 103-712.3.1. Tega Cay

1 needs to increase the performance bond amounts for both its water and
2 wastewater operations.

3 Exhibit WJM-4 provides an overview of Tega Cay's bonding structure. The
4 purpose of a utility's performance bond is to provide sufficient financial
5 assurance to both the customer and the Commission in the event that the utility
6 fails to provide safe and adequate service. The performance bond amount should
7 be high enough to support expenses of that utility for a period of time. Pursuant
8 to 26 S.C. Code Regs. 103-512.3.1 and 103-712.3.1, "the amount of bond shall be
9 based on, but not limited to, the total amount of the following categories of
10 expenses for twelve months: Operation and Maintenance Expenses, General and
11 Administrative Expenses, Taxes Other Than Income Taxes, Income Taxes, and
12 Debt Service including Interest Expenses." The bond amount is also set forth in
13 S.C. Code Ann. Section 58-5-720 (Supp. 2005). The Commission's statutes and
14 regulations state bond amounts must range from an amount not less than \$100,000
15 and not more than \$350,000.

16 Tega Cay has a current performance bond for utility operations in the form of an
17 Irrevocable Letter of Credit ("ILC") from Bank One on file with the PSC in the
18 amount of \$100,000 (Exhibit WJM-5). The ILC was filed with the PSC along
19 with a letter dated October 21, 2004 and contains an expiration date of June 30,
20 2006 with an automatic extension until June 30, 2007 unless at least forty-five
21 (45) days prior to such expiration date a notification is provided to the PSC. Tega
22 Cay has provided \$50,000 in surety for water operations and \$50,000 in surety for
23 wastewater operations according to PSC records.

1 Based on the expenses from the test year and using the criteria set forth in 26 S.C.
2 Code Regs. 103-512.3.1 and 103-712.3.1, ORS determined that the face amount
3 of Tega Cay's bond should be \$300,000 for water operations and \$350,000 for
4 wastewater operations (Exhibit WJM-4). Tega Cay's adjusted bonding criteria
5 expenses for the test year were \$296,648 for water operations and \$465,300 for
6 wastewater operations. Combined bonding criteria expenses, as adjusted totaled
7 \$761,948 for the test year ending September 30, 2005. ORS respectfully requests
8 that the Commission increase the Tega Cay performance bond requirements for
9 water and wastewater operations to \$300,000 and \$350,000 respectively as it is in
10 the public interest for Tega Cay to obtain a bond that satisfies the criteria as set
11 forth in S.C. Code Ann. Section 58-5-720 (Supp. 2005).

12 **Q. DOES ORS RECOMMEND ANY ADJUSTMENTS TO THE TEST YEAR**
13 **SERVICE REVENUES OF TEGA CAY?**

14 A. ORS completed a thorough review of Tega Cay's customer water consumption
15 and base facility charge ("BFC") revenue calculations for the test year. Based on
16 this review, ORS supports Tega Cay's minor adjustments to test year water and
17 sewer service revenue. ORS proposes no additional adjustments to test year
18 service revenue, as calculated adjustments were under \$110. Tega Cay bills all
19 customers in accordance with the rate structure approved by the Commission. In
20 addition, ORS proposes no adjustment to Tega Cay's Miscellaneous Revenues or
21 Uncollectible Accounts. Tega Cay currently has an uncollectible percentage of
22 0.33%, which ORS finds to be acceptable.

1 With regard to expenses, ORS did note that Tega Cay's customer consumption
2 amount for the test year used to determine the utility's commodity charge was
3 different from the customer consumption amount that was being reported to the
4 third party bulk water supplier. Tega Cay reported a test year consumption
5 amount of 110,725,350 gallons that was billed to its customers with a 5/8th inch
6 meter. However, the test year consumption amount that was reported to its bulk
7 water provider for customers with a 5/8th inch meter was 110,055,290 gallons.
8 This accounting difference does not affect Tega Cay's revenue since the utility's
9 revenue is set by the Commission. Nevertheless, it does impact the cost to the
10 customers.

11 **Q. WHAT CONCERNS DO YOU HAVE REGARDING ANY WATER LOSS**
12 **BY TEGA CAY?**

13 A. Utilities can no longer afford to ignore inefficiencies in their water distribution
14 systems. Increases in pumping, treatment and operational costs make water losses
15 cost prohibitive. Water loss on Tega Cay's system is ultimately passed on to the
16 customers in the form of higher rates. As described in the contract with York
17 County (See Exhibit WJM-6) on page 4, the County Charge to the Utility is based
18 on the cost of all water provided to Tega Cay through the master meter. This cost
19 is shared with the customers through an allocation method using the water usage
20 registered on all of Tega Cay customer's meters. According to EPA, an 8%
21 allowance for unaccounted-for water is acceptable. But a loss of more than 12%
22 requires priority attention and corrective action. During the test year, Tega Cay
23 provided ORS with information stating that it purchased (master meter)

1 141,195,000 gallons of water and sold (metered) 111,537,250 gallons of water to
2 its customers. The difference is 29,657,750 gallons, which represents a loss of
3 approximately 21%. Tega Cay can account for 10,746,013 gallons of the unsold
4 water as being used at its three wastewater treatment facilities by the recorded
5 quantity from the meters at each facility. However, the remaining quantity,
6 18,911,737 gallons, of unsold water is an excessive amount of water loss for a
7 system of this size and construction. Unaccounted-for water is the difference
8 between water supplied (metered at the master meter) and metered use (i.e., sales
9 plus non-revenue producing metered water).

$$\text{Unaccounted-for water (\%)} = \frac{(\text{Supplied} - \text{metered use}) \times 100\%}{(\text{Supplied})}$$

10
11 Using the above formula, Tega Cay's unaccounted-for water is determined to be
12 over 12%. Tega Cay has provided information stating that the difference between
13 the purchased water quantity and the water sold to its customers is caused by
14 leaks in the system, water used at the three wastewater treatment facilities
15 (WWTFs), and an overflow issue at its water tower. This water loss does not
16 directly affect Tega Cay customer's bills since their monthly water bills are based
17 on the customer's usage registered through meter readings. However, water loss
18 on the system indirectly impacts the customers when York County raises
19 wholesale rates to its customers. York County may adjust these rates by action of
20 the County Council. Since Tega Cay is a wholesale customer of York County, the
21 cost of any water loss on the system is borne by the customers through higher

1 wholesale rates. York County charges are captured on the Tega Cay customer's
2 bill through a separate supply and base charge.

3 **Q. HOW CAN TEGA CAY RESOLVE ITS WATER LOSS PROBLEM?**

4 A. In an effort to eliminate or lower its unaccounted-for water statistics, Tega Cay
5 should conduct a water audit. A water audit can identify how much water is lost
6 and what that loss is costing the utility and its customers. Records and system
7 control equipment (such as meters) should be checked for accuracy. The overall
8 goal of the audit is to assist Tega Cay in the selection and implementation
9 programs to reduce distribution system losses and thus help to avoid higher rates
10 for the customers. The water audit should be followed by the development of a
11 leak detection program. The implementation of a leak detection program can help
12 Tega Cay reduce water and revenue losses and make better use of water
13 resources.

14 **Q. PLEASE EXPLAIN EXHIBIT WJM-7 OF YOUR REPORT.**

15 A. Exhibit WJM-7 provides an overview of the Tega Cay proposed rates and their
16 impact on water and wastewater revenues. ORS used consumption data provided
17 by Tega Cay and verified during the audit. In addition, ORS used Tega Cay's
18 current and proposed rates as reflected in the application for these calculations.
19 In summary, ORS calculated Tega Cay's test year service revenue for water
20 operations, as adjusted, of \$346,818. ORS calculated Tega Cay's test year service
21 revenue for wastewater operations, as adjusted, of \$601,950. ORS calculated test
22 year revenues for combined operations, as adjusted, of \$948,768. For comparison
23 purposes, ORS calculated Tega Cay's proposed water service revenues, as

1 adjusted, of \$399,811. ORS calculated Tega Cay's proposed wastewater service
2 revenues, as adjusted, of \$746,787. At Tega Cay's proposed rates, combined
3 operations revenue, as adjusted, would total \$1,146,597. ORS did not factor
4 customer growth into these revenue comparisons. As shown in Exhibit WJM-8,
5 the projected growth for Tega Cay is approximately 1.16%.

6 **Q. PLEASE EXPLAIN EXHIBIT WJM-9 OF YOUR REPORT.**

7 A. Exhibit WJM-9 is a summary of the current PSC approved rates for Tega Cay and
8 Tega Cay's proposed rates.

9 **Q. ON WHAT BASIS DOES ORS MAKE DEPRECIABLE SERVICE LIFE**
10 **RECOMMENDATIONS?**

11 A. ORS recommendations are based on the conclusions outlined in the Florida Public
12 Service Commission Water and Wastewater System Regulatory Law as
13 recommended by the NARUC staff. ORS's approach and conclusions made
14 concerning depreciation are consistent with the Public Utility Depreciation
15 Practices manual as published by NARUC in 1996.

16 **Q. HAS TEGA CAY REQUESTED, AS PART OF ITS PROPOSED RATE**
17 **DESIGN, TO ADD OR MODIFY ITS CURRENT PROVISION**
18 **PROVIDING FOR A PASS-THROUGH OF BULK WATER AND SEWER**
19 **CHARGES?**

20 A. Yes, it has.

21 **Q. IN WHICH PARTS OF TEGA CAY'S SERVICE AREAS WOULD THE**
22 **PASS-THROUGH PROVISION APPLY?**

1 A. It would apply to the entire service area of Tega Cay which is currently being
2 provided bulk water.

3 **Q. WHAT WOULD BE THE COST IMPACT OF THE PASS-THROUGH ON**
4 **CUSTOMERS IN THE TEGA CAY'S SERVICE AREA?**

5 A. The cost impact would vary depending upon the bulk service provider's charge.
6 The ORS requests that Tega Cay be required to provide additional notice to the
7 customers in its service area prior to the existing pass-through agreement being
8 altered or when a new agreement is developed.

9 **Q. DOES ORS SUPPORT TEGA CAY'S REQUEST FOR APPROVAL OF**
10 **THE PASS-THROUGH?**

11 A. Yes. However, ORS suggests one modification. Pass through provisions like
12 those proposed by Tega Cay in this case are consistent with those approved by the
13 Commission for other water and sewer utilities. ORS proposes that Tega Cay's
14 right to pass-through bulk charges in amounts above and beyond those reflected in
15 Exhibit WJM-10 be conditioned upon Tega Cay's compliance with the procedure
16 established by the Commission for Kiawah Island Utility, Inc. in Order Numbers
17 2002-285 and 2002-517 in Docket Number 2001-164. Under that procedure,
18 Tega Cay would be required to give the Commission thirty days notice of its
19 intent to increase the amount of pass-through rates beyond those which may be
20 approved in this proceeding and to provide the Commission with justification for
21 any such increase. In the event that the amount of increase in the pass-through
22 rate is approved by the Commission, Tega Cay would then be required to give
23 customers an additional thirty days notice before the increase in the pass-through

1 amount may be put into effect. ORS believes that this modification is in the
2 public interest and gives the Commission the ability to consider the justification
3 for any future increases in pass-through amounts in a manner that will not require
4 the Commission to engage in a full rate-making proceeding.

5 **Q. DO YOU HAVE ANY COMMENTS REGARDING TEGA CAY'S**
6 **REQUEST TO MODIFY TERMS AND CONDITIONS RELATING TO**
7 **TENANT BILLING?**

8 A. ORS supports Tega Cay's proposed modification in terms and conditions listed in
9 its proposed tariff. This change is required to ensure compliance with S.C. Code
10 Ann. § 27-33-50 (Supp. 2005).

11 **Q. DO YOU HAVE ANY COMMENTS REGARDING TEGA CAY'S**
12 **REQUEST TO ADD TERMS AND CONDITIONS RELATING TO**
13 **CROSS-CONNECTION TESTING?**

14 A. ORS supports Tega Cay's proposed addition of language requiring its water
15 customers to conduct cross connection testing pursuant to 24 A S.C. Code Ann.
16 Regs. R. 61-58.7.F (8) (Supp. 2005).

17 **Q. DO YOU HAVE ANY COMMENTS REGARDING TEGA CAY'S**
18 **ABILITY TO RESOLVE CUSTOMER BILLING COMPLAINT ISSUES**
19 **ARISING FROM WATER LEAKS?**

20 A. During the test year, Tega Cay received several customer complaints related to
21 high bills when a water leak occurred on the customer service line. In the Tega
22 Cay community, the utility purchases water supply from a third party and
23 provides sewer treatment services through its own facilities. A water leak on the

1 customer line will increase the water component of the customer's bill. However,
2 the sewer component of the customer's bill remains at the Commission approved
3 flat rate since sewer service is comprised of a flat single family equivalent rate. If
4 a water leak occurs outside and is absorbed into the ground, a customer is still
5 obligated to pay the water charges based on that water usage even when it can be
6 documented that a water leak actually occurred. While ORS recognizes that Tega
7 Cay's contract with the third party does not allow for courtesy adjustments to
8 water usage charges in this type of situation because the third party charges are
9 calculated based on water usage, ORS encourages Tega Cay to explore
10 opportunities to negotiate future contracts to include a suitable remedy for
11 customers that develop leaks that can be documented and are stopped in a timely
12 manner.

13 **Q. DO YOU HAVE ANY RECOMMENDATIONS REGARDING TEGA**
14 **CAY'S REQUESTED RATE SCHEDULE?**

15 A. If the Commission grants Tega Cay a rate increase, then the increase should be
16 applied mainly to the sewer service rates. As determined in ORS's review of
17 Tega Cay's financial information, the water service earnings appear to be
18 sufficient to support the company's required revenue needs to supply the
19 customers with adequate and quality water service.

20 **Q. DO YOU HAVE ANY COMMENTS CONCERNING YOUR**
21 **ASSESSMENT OF TEGA CAY'S LAST RATE ADJUSTMENT**
22 **REQUEST?**

1 A. Yes. In the last rate adjustment case before the Commission, Tega Cay placed
2 new rates in affect under bond. Tega Cay eventually was required to refund
3 customers under Orders No. 1999-191, 1999-547, and 1999-733. Tega Cay
4 informed the Commission that it had refunded all but \$10,822.92 of the required
5 refund amount. This amount was posted to inactive accounts of customers who
6 were no longer served by Tega Cay. Tega Cay was ordered by the Commission to
7 use reasonable means to locate the former customers to whom refunds were due,
8 report the efforts undertaken to the Commission, and comply with the South
9 Carolina Uniform Unclaimed Property Act. See Exhibit WJM-11. ORS was not
10 able to obtain any information to show that the company has complied with the
11 orders of the Commission directing the disposition of the \$10,822.92 refund. The
12 company informed ORS that it had no record of the \$10,822.92 being refunded.
13 ORS would urge Tega Cay to comply with the prior Commission orders
14 concerning the disposition of the refund and the South Carolina Unclaimed
15 Property Act.

16 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

17 A. Yes it does.

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2006-97-WS

**Application of Tega Cay Water Service, Incorporated for Adjustment of Rates and
Charges and Modifications to Certain Terms and Conditions for the Provision of
Water and Sewer Service**

WILLIE J. MORGAN TESTIMONY

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>EXHIBIT TYPE</u>	<u>PREPARED BY</u>
WJM-1	ORS Business Office Compliance Review	ORS
WJM-2	ORS Water/Wastewater System Inspection Report	ORS
WJM-3	DHEC Sanitary Survey Information of Water System	DHEC
WJM-4	Performance Bond Requirement	ORS
WJM-5	Tega Cay Performance Bond	Tega Cay
WJM-6	Tega Cay and York County Water Supply Agreement	Tega Cay/York County
WJM-7	Service Revenue Impact	ORS
WJM-8	Customer Growth Analysis	ORS
WJM-9	Tega Cay Current and Proposed Rate Overview	ORS
WJM-10	Impact on Pass-Through Customers	ORS
WJM-11	Commission Orders No. 1999-191, 1999-547 and 1999-733	PSC

**REVIEW OF WATER AND WASTEWATER SERVICES
CAROLINA WATER SERVICE, INC.
DOCKET: 2006-97-WS**

The Office of Regulatory Staff (“ORS”) of South Carolina performed a Business Compliance audit of the revenue, customer complaint, and customer deposit records of Tega Cay Water Service, Inc. (“Tega Cay”) in preparation for this rate case. Tega Cay currently provides water distribution, wastewater collection, and wastewater treatment services to commercial and residential customers in Tega Cay’s service area include a portion of York County. As of June 29, 2006, Tega Cay was providing water services to 1,696 units along with 82 fire hydrants and wastewater services to 1,709 units.

The ORS Consumer Services Department received two (2) consumer complaints regarding Tega Cay during the test year. Consumers contacted ORS to resolve the following issue: billing dispute complaints regarding improper meter readings. Since the Notice of Filing was mailed to Tega Cay’s customers, the Public Service Commission has received no Petitions to Intervene and three (3) Letters of Protest. Two of the letters of protest simply requested that the Commission hold a night hearing in the area being served by Tega Cay.

ORS determined Tega Cay provides adequate water distribution service and wastewater collection/treatment service. Tega Cay is currently operating all water and wastewater systems in compliance with all DHEC quality of service rules, regulations and consent orders.

The following 2 pages provide a summary of the ORS Business Compliance Audit results.



ORS BUSINESS OFFICE COMPLIANCE REVIEW: Water/Sewer Company

Utility: Tega Cay Water Service, Inc.
 Inspector: Willie J. Morgan
 Office: 110 Queen Parkway, West Columbia, SC 29169
 Utility Type: Water & Sewer Service
 Date: June 14, 2006
 Company Representative: Miquel Davis & Malcolm Mitchell

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
1	All records and reports available for examination in accordance with R.103-510 and R. 103-710.	X		Customers can contact West Columbia office to receive copies of records.
2	Complaint records maintained in accordance with R.103-516 and R. 103-716.	X		All customer complaints are input into Tega Cay database which tracks service orders, complaint types and related resolutions.
3	Utility's rates, its rules and regulations, and its up-to-date maps and plans available for public inspection in accordance with R.103-530 and R.103-730.	X		All documents including plans and maps are available in the West Columbia office. Maps and plans are also available at the office in Tega Cay
4	Established procedures to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the South Carolina Public Service Commission and that the customer has the right to register the complaint in accordance with R.103-530 and R. 103-730.	X		
5	Deposits charged within the limits established by R.103-531 and R. 103-731.	X		
6	Timely and accurate bills being rendered to customers in accordance with R.103-532 and R.103-732.	X		Bill date, payment due date included on bill form. However, problems were noted concerning improper meter reads or estimated bills being issued during certain portions of the test year.
7	Bill forms in accordance with R.103-532 and R.103-732.	X		Bill form is clear with adequate after-hours emergency contact information. However, the information referencing the average daily water cost listed on the bill form is misleading. The average daily cost does not reflect the cost included for York County and the SC DHEC Fee. This information should be clarified on the bill form.

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
8	Adjustments of bills handled in accordance with R.103-533 and 103-733.	X		Invoice adjustments are compliant with R.103-533 and 103-733.
9	Policy for customer denial or discontinuance of service in accordance with R.103-535 and 103-735.	X		Payment plan and payment extension agreement available to all customers.
10	Notices sent to customers prior to termination in accordance with Rule R.103-535 and 103-735.	X		Proper notice procedure is in place and followed. No notices have been received by ORS for actual termination.
11	Notices filed with the Commission of any violation of PSC or DHEC rules which affect service provided to its customers in accordance with rule R.103-514-C and 103-714-C.	X		No notices have been received by ORS concerning violations of PSC or DHEC rules which affect service.
12	Utility has adequate means (telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in case of emergency or unscheduled interruptions or service in accordance with R.103-530 and 103-730.	X		
13	Records maintained of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with R.103-514 and 103-714.	X		
14	Utility advised the Commission, in accordance with Rule 103-512 of the name, title, address and telephone number of the person who should be contacted in connection with general management duties, customer relations, engineering operations, emergencies during non-office hours.	X		
15	Company verified the maps on file with the Commission include all the service area of the company.	X		
16	Number of customers the company has at present time.	NA	NA	As of 04/01/06, Tega Cay provides water service to 1696 units along with 82 fire hydrants and sewer service to 1709 units.
17	Company has a current performance bond on file with the Commission. Amount of bond: \$100,000.00		X	Tega Cay currently has a \$100,000 irrevocable letter of credit (ILC) on file with the PSC in a letter dated 10/21/04. The stated bond amount of \$50,000 for water and \$50,000 for sewer is insufficient per R.103-512 and 103-712.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: June 14, 2006
 Inspector Name: Willie J. Morgan
 Docket Number: 2006-97-WS
 Utility Name: Tega Cay Water Service, Inc.
 Utility Representative: Mr. Mike Davis & Mr. Mac Mitchell
 Number of Customers: 1691 (or 1696 units)
 System Type (distribution, well, etc): Distribution only (7 wells not operational)
 Location of System: Tega Cay, SC
 Location of Utility Office: 110 Queen Parkway, West Columbia, SC 29169
 Treatment Type: N/A
 Permit #: 4650005
 Last SC DHEC Compliance Rating: Unsatisfactory (see information below)
 Frequency checked by Licensed Operator: Daily
 Wastewater Provider: Tega Cay Water Service, Inc.

Inspection Overview

	System Components Inspected	Specific Type	#	P S I	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites				7			Not in operation
2	Pump Houses				7			Not in operation
3	Storage Tank	Pressurized						N/A
3a	Storage Tank	Non-Pressurized						N/A
3b	Storage Tank	Overhead			250k			See information below
4	Chlorinator							N/A
5	Other Chemicals in use							N/A
6	Meters				1696	X		
7	Fire Hydrants				82	X		
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		
10	Water free of air					X		
11	Water free of sand					X		
12	Water clarity					X		
13	System free of leaks					X		
14	Water free of observed odor					X		
15	Access road adequate					X		
16	Ability for service area to expand					X		Designed to served complete area

Inspection Testing Results

	Water Quality Test Type	Result	EPA Standard		Comments
			Yes	No	
TR1	Turbidity				
TR2	Color				

Additional Comments: Tega Cay has been cited with an unsatisfactory rating based on the systems need for added storage. According to DHEC, storage capacity has to include the needed fire flow for a system. York County is constructing added capacity.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	June 14, 2006
Inspector Name:	Willie J. Morgan
Docket Number:	2006-97-WS
Utility Name:	Tega Cay Water Service, Inc. (WWTF #2)
Utility Representative:	Miquel Davis & Malcolm Mitchell
Number of Customers:	822
System Type (collection, force main, lagoon, etc):	Collection, force main, treatment in tanks
Location of System:	Tega Cay, SC
Location of Utility Office:	110 Queen Parkway, West Columbia, SC 29169
Treatment Type:	Biological treatment in tanks
Permit #:	SC0026743
Last SC DHEC Compliance Rating:	Satisfactory
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Tega Cay Water Service, Inc.

Inspection Results

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		
2	Other chemicals in use	X		
3	Aerators present			N/A
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			N/A
8	Odor non-existent or limited	X		Minor odor at 16102 Heron Run near house. From customer side?
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		Non present
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: System is capable of handling the capacity needs of the service area.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	June 14, 2006
Inspector Name:	Willie J. Morgan
Docket Number:	2006-97-WS
Utility Name:	Tega Cay Water Service, Inc. (WWTF #3)
Utility Representative:	Miquel Davis & Malcolm Mitchell
Number of Customers:	473
System Type (collection, force main, lagoon, etc):	Collection, force main, treatment in tanks
Location of System:	Tega Cay, SC
Location of Utility Office:	110 Queen Parkway, West Columbia, SC 29169
Treatment Type:	Biological treatment in tanks
Permit #:	SC0026751
Last SC DHEC Compliance Rating:	Satisfactory
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Tega Cay Water Service, Inc.

Inspection Results

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		
2	Other chemicals in use	X		
3	Aerators present			N/A
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			N/A
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		Non present
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: System is capable of handling the capacity needs of the service area.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	June 14, 2006
Inspector Name:	Willie J. Morgan
Docket Number:	2006-97-WS
Utility Name:	Tega Cay Water Service, Inc. (WWTF #4)
Utility Representative:	Miquel Davis & Malcolm Mitchell
Number of Customers:	360
System Type (collection, force main, lagoon, etc):	Collection, force main, treatment in tanks
Location of System:	Tega Cay, SC
Location of Utility Office:	110 Queen Parkway, West Columbia, SC 29169
Treatment Type:	Biological treatment in tanks
Permit #:	SC0026751
Last SC DHEC Compliance Rating:	Satisfactory
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Tega Cay Water Service, Inc.

Inspection Results

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		
2	Other chemicals in use	X		
3	Aerators present	X		2 aerators present in polishing pond.
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		Non present
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: System is capable of handling the capacity needs of the service area.

Exhibit WJM-3

COPY

RECEIVED



South Carolina Department of Health
and Environmental Control

CATAWBA DISTRICT
ENVIRONMENTAL QUALITY CONTROL

Serving Chester, Lancaster, and York Counties

OCT 12 2005

CAROLINA WATER SERVICE

September 30, 2005

Bruce Haas
P.O. Box 4609
West Columbia SC 29171

Sanitary Survey: CWS Tega Cay
System Number: 4650005
System Type: C
Population: 4,347

Bruce Haas

A sanitary survey of the drinking water system serving the above referenced site was conducted recently and a copy of the survey report is enclosed for your records. The overall rating for the system is **UNSATISFACTORY**. It is necessary that you retain a copy of this report for a period of not less than ten years and make it available to DHEC or the public upon request.

CWS Tega Cay has been cited with an **UNSATISFACTORY** rating based on the systems need for added storage. Storage capacity has to include the needed fire flow for a system. A drinking water system must have storage with two hours of combined domestic peak hour flow available or $\frac{1}{2}$ the daily maximum consumption, which ever is greater. No improvements have been made to increase the storage capacity over the past two years. There was mention made again about the system having regular overflow issues. Records for these occurrences should be collected and submitted to the permitting section in Columbia to have the system examined for a possible change in capacity needs. If overflow is not an issue additional storage must be obtained.

I will be happy to meet with you to discuss this agency's requirements for a public water system. Please let me know if you have any questions or if I can be of further assistance. Submit to our office, in writing, actions taken to upgrade the water system by **no later than 30 days of receiving** this letter. Thank you for your cooperation.

Sincerely,

Hollon R. Stillwell
District Drinking Water
cc: Bureau of Drinking Water Protection
District File

Bureau of Water

System Name: CWS/ TEGA CAY
 Item Number: 4650005
 Fax Number: NONE

(A)dd, (M)odify, (R)enum, (D)elete: M

Reason: Annual

Today's Date: 9-29-05

Mailing Address:

BRUCE HAAS
 PO BOX 4509
 WEST COLUMBIA, SC 29171

Telephone: (704)525-7990

Geographical/Contact Address (if different):

HERMAN ESTES
 25039 TIMBERLAKE DRIVE
 TEGA CAY, SC 29715

Emergency Telephone: (803)548-1828
 Contact Telephone: NONE

System Characteristics

System Type.... C	Inact Code.....	Service Area.... R1	Season On (mo/day)..... 01/01
Subtype.....	Inact Date (mo/yr)....	Counties Served:	Season Off (mo/day)..... 12/31
Owner Type..... PRIV	Begin Date (mo/yr)... 06/1977	46	

Statistical Information

Source Use Information:

Percent Surface Water..... 0
 Percent Ground Water..... 0
 Percent Purchased Surface Water... 100
 Percent Purchased Ground Water... 0

Total must equal 100%

Number of Service Connections:

Residential.....	1,696	>	Total... 1696
Non Residential.....	0		
Maximum Allowable.....	0		
Permitted.....	0		

Production (MGD):

Average..... 0.4470
 Maximum Day..... ~~0.5~~ 0.68

Capacity:

Total..... .5
 Emergency..... 0.3450

Storage:

Elevated (MG)..... 0.250
 Ground (MG)..... 0.000
 Pressure (TG)..... 0.000

+ Plans to
 add a tank
 350,000

Service Population:

Population..... 4,347
 Secondary Population..... 0

Comments

Signature: 

Bureau of Water

System Name: CWS/ TEGA CAY
 em Number: 4650005
 Source ID: G46177

(A)dd, (M)odify, (R)enum, (D)elete: ☐
 Reason: _____
 Today's Date: _____

General Information

Location	MOLOKAI DR. WELL	Availability Code	E
Source Name	WELL ONE	Latitude	35.02851150
Receiving Plant	NONE	Longitude	- 81.01571890
Plant ID	NONE	Source Code	G

Ground Water Source Information

Well Characteristics

Depth (ft) 570
 Type 1
 Casing Diameter (in) 8
 Casing Type G
 Under the Direct Influence of SW? . . N

Well Pump Characteristics

Horsepower 40.00
 Type S
 Design Yield (gpm) 185.00
 Test Yield (gpm)
 Avg. Daily Production (TGD) . . 91.00
 Regulated Capacity (TGD) . . 177.60

Treatment Codes

C4470, D4030

Comments

Signature: _____

Public Water System Source/Plant Inventory Report

System Name: CWS/ TEGA CAY

(A)dd, (M)odify, (R)enum, (D)elete: ☐

Item Number: 4650005

Reason: _____

Source ID: G46179

Today's Date: _____

General Information

Location MARQUESAS AVE. WELL
Source Name WELL THREE
Receiving Plant NONE
Plant ID NONE

Availability Code E
Latitude 35.02243230
Longitude -81.02431720
Source Code G

Ground Water Source Information

Well Characteristics

Depth (ft) 610
Type 1
Casing Diameter (in) 8
Casing Type G
Under the Direct Influence of SW? .. N

Well Pump Characteristics

Horsepower 25.00
Type S
Design Yield (gpm) 100.00
Test Yield (gpm)
Avg. Daily Production (TGD) .. 51.44
Regulated Capacity (TGD) ... 96.00

Treatment Codes

C4470, D4030

Comments

Signature: _____

Bureau of Water

System Name: CWS/ TEGA CAY

(A)dd, (M)odify, (R)enum, (D)elete: ☐

System Number: 4650005

Reason: _____

Source ID: G46180

Today's Date: _____

General Information

Location PALYRMA DRIVE WELL
Source Name WELL FOUR
Receiving Plant NONE
Plant ID NONE

Availability Code E
Latitude 35.02581060
Longitude -81.01668370
Source Code G

Ground Water Source Information

Well Characteristics

Depth (ft) 680
Type 1
Casing Diameter (in) 8
Casing Type G
Under the Direct Influence of SW? N

Well Pump Characteristics

Horsepower 25.00
Type S
Design Yield (gpm) 100.00
Test Yield (gpm)
Avg. Daily Production (TGD) 49.17
Regulated Capacity (TGD) 96.00

Treatment Codes

C4470, D4030

Comments

Signature: _____

Public Water System Source/Plant Inventory Report

System Name: CWS/ TEGA CAY

(A)dd, (M)odify, (R)enum, (D)ete: ☐

Item Number: 4650005

Reason: _____

Source ID: G46181

Today's Date: _____

General Information

Location POINT CLEAR DRIVE
Source Name WELL FIVE
Receiving Plant NONE
Plant ID NONE

Availability Code E
Latitude 35.02147360
Longitude - 81.02712440
Source Code G

Ground Water Source Information

Well Characteristics

Depth (ft) 570
Type 1
Casing Diameter (in) 8
Casing Type G
Under the Direct Influence of SW? U

Well Pump Characteristics

Horsepower 20.00
Type S
Design Yield (gpm) 100.00
Test Yield (gpm)
Avg. Daily Production (TGD) 34.22
Regulated Capacity (TGD) 96.00

Treatment Codes

Comments

Signature: _____

Bureau of Water

System Name: CWS/ TEGA CAY

(A)dd, (M)odify, (R)enum, (D)elete: ☐

Item Number: 4650005

Reason: _____

Source ID: G46182

Today's Date: _____

General Information

Location GAUGUIN LANE WELL

Availability Code E

Source Name WELL SIX

Latitude 35.02661290

Receiving Plant NONE

Longitude -81.01893970

Plant ID NONE

Source Code G

Ground Water Source Information

Well CharacteristicsWell Pump Characteristics

Depth (ft) 480

Horsepower 20.00

Type 1

Type S

Casing Diameter (in) 8

Design Yield (gpm) 125.00

Casing Type G

Test Yield (gpm)

Under the Direct Influence of SW? .. N

Avg. Daily Production (TGD) .. 53.11

Regulated Capacity (TGD) ... 120.00

Treatment Codes

C4470, D4030

Comments

Signature: _____

SCDHEC
Bureau of Water

Public Water System Source/Plant Inventory Report

System Name: CWS/ TEGA CAY

(A)dd, (M)odify, (R)enum, (D)elete: ☐

Item Number: 4650005

Reason: _____

Source ID: G46183

Today's Date: _____

General Information

Location MANILA BAY LANE WELL
Source Name WELL SEVEN
Receiving Plant NONE
Plant ID NONE

Availability Code E
Latitude 35.02509090
Longitude - 81.02034210
Source Code G

Ground Water Source Information

Well Characteristics

Depth (ft) 585
Type 1
Casing Diameter (in) 8
Casing Type G
Under the Direct Influence of SW? .. N

Well Pump Characteristics

Horsepower 20.00
Type S
Design Yield (gpm) 105.00
Test Yield (gpm)
Avg. Daily Production (TGD) .. 47.66
Regulated Capacity (TGD) ... 100.90

Treatment Codes

C4470, D4030

Comments

Signature: _____

SCDHEC
Bureau of Water

Public Water System Source/Plant Inventory Report

System Name: CWS/ TEGA CAY
System Number: 4650005
Source ID: P46001

(A)dd, (M)odify, (R)enum, (D)etele: ☐
Reason: _____
Today's Date: _____

General Information

Location NONE
Source Name Purchased Surface Water
Receiving Plant N/A
Plant ID N/A

Availability Code P
Latitude NONE
Longitude NONE
Source Code P

Purchased Source Information

System Number Metered From 4620002
System Name Metered From YORK CO/EAST

Average Use (MGD)359
Total Capacity (MGD) 0
Number of Meters 1

Treatment Codes

N9970

Comments

Signature: _____

Public Water System Sanitary Survey Report
Ground Water Systems

Item name: CWS TEGA CAY

System number: 4650005

Last Survey: 06/10/2004

Survey Date: 9/29/05

SOURCE:

1. Quantity. S
2. Protection from Contam. N
3. Security. N
4. Wellhead Piping. N
5. Pumps. N
6. Flow Measuring Device. S

WATER TREATMENT:

7. Filtration*. N
8. Equipment Maintenance*. N
9. Chemical Storage & Hand*. N
10. Chemical Feed*. N
11. Chemical Injection Points*. N

DISTRIBUTION:

12. Water Quality. S
13. Operation & Control. S
14. Adequate Pressure. S
15. Fire Flow. S
16. Cross Connection Control. S
- Valve/Hydrant Maintenance S
17. Flushing Program. S
18. Leak Detection and Repair. S
20. System Map. S
21. Sample Siting Plan. S
22. Disinfectant Residual*. N

STORAGE:

23. Capacity. U
24. Sanitary Protection. S
25. Security. S
26. Appurtenances. S
27. Maintenance. S

OPERATIONAL CONTROL:

28. Certified Operator/Staffing*. S
29. Testing Equipment*. S
30. Monitoring/Records. S

GENERAL O & M:

31. Plant Security*. N
32. Facility Maintenance. N
33. Supplies/Spare Parts Inv. S
34. Waste Disposal*. N
35. Procedures Manual. S

EMERGENCY OPERATION:

36. Stand-by Power. N
37. Emergency Plan. S
38. Drought Response Plan**. N

CONSUMER CONFIDENCE REPORTS:

39. CCR (Y/N). N

A. System Group (I - V).

B. Operator Grade

- A.
- B.
- C.
- D.
- T. (1) ?

C. Dist. Group (I - V).

% wireless 0.4

D. Distribution Operator Grade

- A.
- B.
- C. 1
- D.
- T. 1 (1)
- G.

E. Field Tests

- Chlorine.
- pH.
- psi.
- Other.

S. Samples Taken

- Bacteriological.
- Inorganic.
- Organic.
- Radiological.
- Other.

F. Type Inspection/Visit. GW ROUTINE

- G. Are all services metered? Y
- Percent metered. 100

- H. Is system presently under order? N
- If Yes, is system complying w/order? N

- I. Follow up scheduled? N
- Date scheduled.

- J. Overall Rating. U

- K. Operator/Owner present? Y

35: Continue to improve the details of the manual

23: Capacity is still an issue. Keep records of overflow. Notify with addition of another tank/Storage (work order issued for 350,000 tank to be added at dd well 12 int

*Applicable for treated systems only.

**Applicable for part 1 and 2 systems only.

m represents neither a final approval of the water system, nor an approval to operate the system.

Tega Cay Water Service, Inc. - Water			
Bond Value Components	Per Books	As Adjusted	Tega Cay Proposed Increase
Maintenance Expense	\$111,285	\$112,943	\$112,943
General Expense	\$96,192	\$112,895	\$106,850
Taxes	\$105,160	\$60,031	\$60,627
Income Tax	\$21,894	\$10,779	\$33,078
Debt Service/Interest Expense	\$0	\$0	\$0
Bond Value Requirement	\$334,531	\$296,648	\$313,498
Tega Cay Water Service, Inc. - Wastewater			
Bond Value Components	Per Books	As Adjusted	Tega Cay Proposed Increase
Maintenance Expense	\$276,967	\$278,523	\$278,523
General Expense	\$90,190	\$105,853	\$103,898
Taxes	\$101,709	\$62,209	\$63,839
Income Tax	\$38,436	\$18,715	\$75,464
Debt Service/Interest Expense	\$0	\$0	\$0
Bond Value Requirement	\$507,302	\$465,300	\$521,724
Tega Cay Water Service, Inc. - Combined			
Bond Value Components	Per Books	As Adjusted	Tega Cay Proposed Increase
Maintenance Expense	\$388,252	\$391,466	\$391,466
General Expense	\$186,382	\$218,748	\$210,748
Taxes	\$206,869	\$122,240	\$124,466
Income Tax	\$60,330	\$29,494	\$108,542
Debt Service/Interest Expense	\$0	\$0	\$0
Bond Value Requirement	\$841,833	\$761,948	\$835,222
Current Performance Bond Structure (1)	Bond Value	Expiration Date	
Bank One, NA Irrevocable Letter of Credit (00440434)	\$100,000	06/30/07	
Total Financial Assurance	\$100,000		

(1) As reported on Irrevocable Letter of Credit dated 10/21/04.

(2) Irrevocable Letter of Credit secures performance bond of \$50,000 for water operations and \$50,000 for wastewater operations.

Exhibit WJM-5



Bank One, NA
Global Trade Services
One Bank One Plaza
Mail Code IL1-0236
Chicago, IL 60670
Tel: (800) 634-1969 Fax: (312) 954-0203
SWIFT: FNBCUS44
Telex: ITT4330253 FNBCUI

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 440434

DATE: OCTOBER 21, 2004

BENEFICIARY:
STATE OF SOUTH CAROLINA
THE PUBLIC SERVICE COMMISSION
101 EXECUTIVE CENTER DR.
KROGER EXECUTIVE CENTER DRIVE
COLUMBIA, SC 29210

DRAFTS DRAWN MUST BE MARKED
WITH OUR LETTER OF CREDIT NO. 440434
OPENER'S REFERENCE NO. 440434

GENTLEMEN:

BY THE ORDER OF:

APPLICANT:
TEGA CAY WATER SERVICES
C/O UTILITIES, INC.
2335 SANDERS ROAD
NORTHBROOK, IL 60062

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 440434 FOR THE ACCOUNT OF TEGA CAY WATER SERVICES, C/O UTILITIES, INC., FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE U.S. \$100,000.00 (ONE HUNDRED THOUSAND AND 00/100 U.S. DOLLARS) AVAILABLE BY YOUR DRAFTS AT SIGHT ON BANK ONE, NA, CHICAGO, IL EFFECTIVE OCTOBER 21, 2004 AND EXPIRING AT OUR OFFICE ON JUNE 30, 2006.

FUNDS UNDER THIS CREDIT ARE AVAILABLE AGAINST YOUR DRAFT(S) AS HEREIN ABOVE SET FORTH MARKED "DRAWN UNDER BANK ONE, NA LETTER OF CREDIT NO. 440434" AND ACCOMPANIED BY THE FOLLOWING:

THE ABOVE MENTIONED DRAFT(S) MUST BE PRESENTED AT SIGHT ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

WE ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED ON OR BEFORE THE EXPIRATION AT OUR COUNTERS AT 300 SOUTH RIVERSIDE PLAZA, 7TH FLOOR, MAIL CODE IL1-0236, ATTN: STANDBY LETTER OF CREDIT UNIT, CHICAGO, IL 60606-0236. THE ORIGINAL LETTER OF CREDIT MUST ACCOMPANY THE DOCUMENTS REQUIRED UNDER THIS CREDIT FOR ENDORSEMENT.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE EXPIRY DATE HEREOF OR ANY FUTURE EXPIRY DATE UNLESS AT LEAST FORTY FIVE (45) DAYS PRIOR TO SUCH EXPIRATION DATE WE NOTIFY YOU BY CERTIFIED MAIL OR HAND DELIVERED COURIER, AT THE ADDRESS STATED ABOVE, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. HOWEVER, IN NO EVENT SHALL THIS LETTER OF CREDIT BE EXTENDED BEYOND JUNE 30, 2007.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE - PUBLICATION 500.

BANK ONE.

Bank One, NA
Global Trade Services
One Bank One Plaza
Mail Code IL1-0236
Chicago, IL 60670
Tel: (800) 634-1969 Fax: (312) 954-0203
SWIFT: FNBCUS44
Telex: ITT4330253 FNBCUI

IRREVOCABLE STANDBY LETTER OF CREDIT 440434

DATE: OCTOBER 21, 2004

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO THE ATTENTION OF OUR STANDBY LETTER OF CREDIT UNIT, TRADE SERVICE GROUP, MENTIONING OUR LETTER OF CREDIT NUMBER AS IT APPEARS ABOVE.

VERY TRULY YOURS,
BANK ONE, NA


PREPARER/AUTHORIZED SIGNER

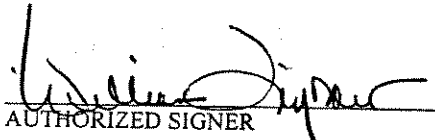

AUTHORIZED SIGNER

Exhibit WJM-6

WATER SUPPLY AGREEMENT
Tega Cay Water Service, Inc. and York County, South Carolina

1 THIS AGREEMENT, made and entered into on
2 this 22nd day of June, 1993, by and between Tega
3 Cay Water Service, Inc., a South Carolina corporation,
4 (hereinafter referred to as "Utility") and York County, a
5 political subdivision of the State of South Carolina, acting
6 by and through its County Council, the governing body
7 thereof, (hereinafter referred to as "County").

WITNESSETH

9 WHEREAS, Utility is engaged in the business of
10 furnishing water service to the public in an area located in
11 York County, South Carolina, known as Tega Cay (hereinafter
12 referred to as the "Water Service Area" and more fully
13 described as the area encompassed by the City limits of Tega
14 Cay, South Carolina as indicated on the map entitled Tega Cay
15 Master Development Plan, dated December 23, 1980 and attached
16 hereto as Exhibit 1); and

17 WHEREAS, the Utility desires to obtain, and the County
18 desires to provide water supply service for the Utility's
19 existing and future customers within the Water Service Area,
20 subject to the terms and conditions of this Agreement.

21 NOW, THEREFORE, in consideration of the premises which
22 shall be deemed an integral part of this Agreement and of the
23 mutual covenants as hereinafter set forth the parties hereto
24 agree as follows:

1 Section 1

2 Purpose

3 It is the purpose and intent of this Agreement to
4 provide for public water service by Utility, utilizing the
5 County's water supply, to existing homes and structures and
6 future homes and structures within the Water Service Area
7 defined in Exhibit 1, and to provide for the timely payment
8 to the County of all costs incurred in the provision of water
9 to Utility by the County. All terms and conditions contained
10 herein shall be read and interpreted in a manner consistent
11 with and in furtherance of this purpose and intent.

12 Section 2

13 Water Supply Service

14 1. The County shall provide water supply service to
15 Utility under terms and conditions contained in this
16 Agreement. Such service shall be provided through County
17 water main extensions and interconnections with Utility's
18 water distribution system. County agrees to install all
19 necessary main extensions and interconnections at its sole
20 cost and expense. The County shall extend its water main to
21 the City Limit line located on Gold Hill Road. The County
22 shall install a meter vault and meter at that location.
23 Utility will extend its existing water line to connect to
24 such meter. All County and Utility construction work shall
25 meet all applicable regulatory standards. The County will
26 deliver water to Utility with adequate pressure and quantity
27 to serve existing and future Utility customers in Tega Cay.

CLS
JK

SEP 11 11

1 2. The County shall use its best efforts to provide
2 the necessary water supply capacity needed by Utility to
3 service its customers within the Water Service Area.
4 Notwithstanding any other provisions contained herein, the
5 County shall not be liable for any damages as the result of
6 the inability or failure to provide water services pursuant
7 to this Agreement either on a temporary, emergency, or
8 permanent basis. Further, the County will be obligated to
9 provide to Utility water which meets or exceeds all state and
10 federal health guidelines and standards.

11 3. Utility and County agree that the following method
12 for billing Utility for water sold to Utility by County ("The
13 Billing Method") is acceptable to both parties.

14 **The Billing Method:** Utility shall make bi-
15 monthly payments to County based on the water usage
16 registered on all Utility customer's meters within the Water
17 Service Area. The County's initial charge to Utility for the
18 water so metered will be equal to the lowest County wholesale
19 water rate authorized by the York County Council for
20 similarly situated customers in York County for service
21 rendered by the County where billing is based upon retail
22 customer meter readings. The present York County wholesale
23 water rate Ordinance is attached hereto as Exhibit 2. It is
24 understood by both parties that the County is reviewing the
25 present rate established by the County in the County Rate
26 Ordinance attached hereto as Exhibit 2. The objective of
27 reviewing the rate is to determine if the wholesale water

1 rate can be reduced as a result of increased revenues from
2 the additional customers in Tega Cay being added to the
3 County system. The County Charge to Utility will include the
4 cost of all water provided to Utility through the County
5 master meter. Depending on the cost of construction of water
6 supply trunk lines and the County's purchased water cost,
7 there may or may not be a reduction or increase in the
8 initial County wholesale water rate.

9 4. In the event that payment is not made to County by
10 Utility within 30 days after each bi-monthly Utility customer
11 billing, Utility agrees to pay interest to the County at the
12 rate of one and one-half percent (1 1/2%) per month on the
13 outstanding delinquent amount to the County after such 30 day
period until said delinquent balance is paid in full.

15 5. For this Agreement only, it is agreed that the
16 initial County wholesale water rate will remain in effect for
17 a period of twelve months from the date service is initiated.
18 After the initial twelve month period, County may adjust the
19 wholesale water rate by appropriate action of the York County
20 Council.

21 6. In addition to the monthly water service usage
22 rate, Utility agrees that any future customer within the
23 Water Service Area whose lot is not contiguous to a water
24 main which has been installed as of the date of this
25 Agreement may be required to pay to the County a water
connection/tap fee. The County agrees that there will be no
27 County connection fee of any kind assessed to Utility or its

1 customers for customers taking service from Utility the day
2 County water service is initiated. The County also agrees
3 that all lots within the Water Service Area, contiguous to
4 installed water mains on the day the County initiates water
5 service to the Water Service Area, will be allowed to receive
6 service without having to pay a County connection/tap fee.
7 Exhibit 1, attached hereto and before mentioned, contains
8 descriptions of all Utility owned water mains installed as of
9 the date of this Agreement, as well as describing the Water
10 Service Area.

11 7. Utility hereby agrees to collect County tap
12 certificates on behalf of the County as specified in Section
13 2, paragraph 6, herein, and shall remit the fees so collected
14 to the County on a monthly basis. Utility will also collect
15 its Commission-approved water connection fee from all new
16 connections in the Water Service Area. Utility agrees that it
17 will not connect any customer within the Utility's Water
18 Service Area without first determining that such customer has
19 paid(if appropriate) the County water tap fee, in accordance
20 with terms of this Agreement.

C.L.S.
J.H.

21 Section 3

22 Commission Authorizations

23 1. The parties acknowledge that this Agreement, The
24 Billing Method, Utility's right to charge Utility customers
25 the initial County wholesale rate, and the Utility Water
26 Distribution Charge, must be approved by the South Carolina
27 Public Service Commission (the "Commission").

1 2. Utility and County acknowledge that Utility has
2 applied to the Commission for approval of the Water
3 Distribution Charge; approval to charge Utility customers the
4 County's initial wholesale Water Supply Charge, described
5 herein; authorization to place such County charge on Utility
6 customer's water bills as a separate line item; and the
7 Commission determination that any future changes by County of
8 County Water Supply Charge not be subject to Commission
9 approval. It is understood and agreed by both parties to
10 this Agreement that should the Commission fail to approve
11 the items contained herein-above this Agreement may be
12 immediately terminated by Utility and then neither party
13 shall have any further obligation hereunder. The Utility's
14 right to terminate, as defined in this paragraph, is limited
15 to the pending Commission Docket # 92-638 W/S only, and shall
16 not be applicable to future utility proceedings at
17 Commission.

18 Section 4

19 Exclusive Supply Commitment and Exclusive Water
20 Service Commitment

21 During the term of this Agreement, as long as County is
22 able to meet Utility's water needs, Utility agrees to not
23 utilize alternative water supply sources, including the
24 Utility's existing water supply facilities, in order to
25 service its customers within the Water Service Area. However,
26 Utility will retain its existing supply facilities as a back
27 up to be used in the event that the County cannot provide the

1 necessary and sufficient water supply capacity to meet the
2 service demand requirements of the Water Service Area. The
3 County agrees not to provide water supply or service to any
4 other entity or industry within the Water Service Area.

5 Section 5

6 General Provisions

7 1. This Agreement shall be executed in two
8 counterparts, each of which will be considered an original.
9 This Agreement is binding upon the successors and assignees
10 of the parties hereto. The provisions of this Agreement
11 constitute the entire terms and provisions of this Agreement
12 between the parties hereto, and no amendment or alteration
13 shall be binding unless the party affected thereby shall have
14 executed a written instrument amending the Agreement.
15 Whenever one party gives notice to the other party concerning
16 any of the provisions of this Agreement, such notice shall be
17 given by certified mail, return receipt required. Said notice
18 shall be deemed given when it is deposited in the United
19 States mail with sufficient postage prepaid (notwithstanding
20 that the return receipt is not subsequently received).

CLB
JR

7/10/20

1 Notices shall be addressed as follows:

2 YORK COUNTY

York County Manager

3 P.O. Box 66

4 York, S.C. 29745

5
6 TEGA CAY WATER SERVICE, INC. 2335 Sanders Road

7 Northbrook, IL. 60062

8 Attn: Perry B. Owens,

9 Chairman & C.E.O.

10 These addresses may be changed by giving notice as
11 provided for in this paragraph.

12 2. No waiver of breach of any of the terms of this
13 Agreement shall be construed to be a waiver of any succeeding
14 breach.

15 3. Utility hereby indemnifies County from any liability
16 arising out of the distribution and sale of the County
17 supplied water through Utility's mains throughout the Water
18 Service Area, provided that County furnishes potable water to
19 the Utility, which meets all regulatory standards.

20 Section 6

21 Default

22 If either party materially fails or defaults in keeping,
23 performing, or abiding by the terms and provisions of this
24 Agreement, then the non-defaulting party shall give written
25 notice to the defaulting party specifying the nature of the
26 default. If the defaulting party does not cure the default
27 within thirty (30) days after the date of written notice,

1 then this Agreement, at the option of the non-defaulting
2 party, shall terminate. Neither party shall be relieved of
3 liability to the other for damages sustained by virtue of any
4 party wrongfully exercising this provision. This paragraph is
5 not intended to replace any other legal or equitable remedies
6 available to any non-defaulting party under South Carolina
7 law, but it is in addition thereto. Notwithstanding the
8 foregoing, any failure to make timely payments shall be
9 considered a material default under the terms of this
10 Agreement without the necessity for any written notice to
11 Utility.

12 Section 7

13 Term

14 This Agreement shall have a term of twenty (20) years
15 commencing on the date of execution of this Agreement. This
16 Agreement shall not be considered an obligation on the part
17 of the County to perform in any way other than as indicated
18 in this Agreement. The County shall not be obligated under
19 the terms of this Agreement to supply additional water for
20 Utility to areas outside the Water Service Area, unless the
21 County issues written notification that it does not object to
22 such additional service.

CL
JFK

23 Section 8

24 Force Majeure

25 1. If, by reason of force majeure, either party hereto
26 shall be rendered unable, in whole or in part, to carry out
27 its obligations under this Agreement, then, and in that

1 event, said party shall give notice in writing, to the other
2 party, within a reasonable time thereafter, giving the full
3 particulars of such force majeure.

4 The obligations of the party so affected shall thereupon
5 be suspended and such suspension shall continue during the
6 period in which such inability continues; provided, however,
7 that the disabled party shall endeavor with all reasonable
8 dispatch, to remove or overcome such inability. Provided
9 further, however, that this Section 8 shall not apply to
10 failures by County or Utility to make payments or credits for
11 services rendered as specified under Section 2 entitled "
12 Water Supply Service."

13 2. The term "force majeure" as employed herein shall
14 mean acts of God, strikes, lockouts or other industrial
15 disturbances, acts of the public enemy, orders of Commission
16 and courts of this State, orders of any kind of the
17 government of the United States of the State of South
18 Carolina, or any military authority, insurrection, riots,
19 epidemics, landslides, earthquakes, fires storms, hurricanes,
20 floods, wash-outs, droughts, arrests and restraints of
21 government and people, civil disturbances, explosions,
22 breakage or damage to machinery, canals, tunnels, or
23 pipelines, partial or entire failure of water system, and
24 inability of County to furnish water hereunder or Utility to
25 receive water hereunder for any reason or cause not
26 reasonably within the control of the party claiming such
27 inability.

CLB
JK

	Bill Code	September 30, 2004	September 30, 2005	June 29, 2006	Average	Growth Factor
1" Commercial Sewer	48523	2	2	2	2	0
2" Commercial Sewer	48524	33	33	33	33	0
5/8" Commercial Sewer	48522	7	7	7	7	0
5/8" Residential Sewer	48521	1627	1639	1667	1647	0.01
1" Commercial Water	48505	7	7	7	7	0
2" Commercial Water	48506	6	6	6	6	0
3" Commercial Water	48507	0	0	0	0	0
5/8" Commercial Water	48502	15	15	15	15	0
5/8" Residential Water	48501	1628	1640	1668	1648	0.01
Hydrant Rental	48540	82	82	82	82	0
Hydrant Usage	48541	0	0	0	0	0
TOTAL ACTIVE UNITS		3407	3431	3487	3447.00	0.0116

TEGA CAY WATER SERVICE, INC.
2006-97-WS
PROPOSED RATE OVERVIEW

Exhibit WJM-9

Service Type	Customer Classification	Description	Unit of Measure	Present Charge	Proposed Charge	Proposed Increase Amount	% Increase
5/8" Water	Residential	Single Family home, condo, mobile home or apartment unit	per unit	\$7.50	\$8.03	\$0.53	7.07%
5/8" Water - Distribution	Residential - Distribution	Single Family home, condo, mobile home or apartment unit	Per 1,000 gallons	\$1.69	\$2.07	\$0.38	22.49%
5/8" Water - Pass-Through	Residential	Single Family home, condo, mobile home or apartment unit	Per 1,000 gallons	\$3.26	\$3.26	\$0.00	0.00%
5/8" Water	Commercial	Commercial	Per SFE*	\$7.50	\$8.03	\$0.53	7.07%
5/8" Water - Distribution	Commercial - Distribution	Commercial	Per 1,000 gallons	\$1.69	\$2.07	\$0.38	22.49%
5/8" Water - Pass-Through	Commercial	Commercial	Per 1,000 gallons	\$3.26	\$3.26	\$0.00	0.00%
1" Water	Residential/Commercial	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per SFE*	\$7.50	\$8.03	\$0.53	7.07%
1" Water - Distribution	Res/Comm - Distribution	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per 1,000 gallons	\$1.69	\$2.07	\$0.38	22.49%
1" Water - Pass-Through	Residential/Commercial	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per 1,000 gallons	\$3.26	\$3.26	\$0.00	0.00%
2" Water	Residential/Commercial	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per SFE*	\$7.50	\$8.03	\$0.53	7.07%
2" Water - Distribution	Res/Comm - Distribution	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per 1,000 gallons	\$1.69	\$2.07	\$0.38	22.49%
2" Water - Pass-Through	Residential/Commercial	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per 1,000 gallons	\$3.26	\$3.26	\$0.00	0.00%
3" Water	Residential/Commercial	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per SFE*	\$7.50	\$8.03	\$0.53	7.07%
3" Water - Distribution	Res/Comm - Distribution	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per 1,000 gallons	\$1.69	\$2.07	\$0.38	22.49%
3" Water - Pass-Through	Residential/Commercial	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Per 1,000 gallons	\$3.26	\$3.26	\$0.00	0.00%
Water - Pass Through (All Areas)	Residential/Commercial	Single Family home, condo, mobile home, apartment unit, hotels, stores, restaurants, office, commercial	Base Charge - Variable Rate	Variable Rate	Variable Rate	Varied	Varied
Hydrant Rental	Hydrant Rental	Hydrant	Per Unit	\$8.33	\$8.33	\$0.00	0.00%
Hydrant Rental - Distribution	Hydrant Rental - Distribution	Hydrant	Per 1,000 gallons	\$1.69	\$2.07	\$0.38	22.49%
Hydrant Rental - Pass-Through	Hydrant Rental - Pass-Through	Hydrant	Per 1,000 gallons	\$3.26	\$3.26	\$0.00	0.00%
Nonrecurring Charges - Water	Residential/Commercial	Tap Fee	Per SFE*	\$600.00	\$600.00	\$0.00	0.00%
Nonrecurring Charges - Water	Residential/Commercial	Account Set-up Fee	Per Customer	\$30.00	\$30.00	\$0.00	0.00%
Nonrecurring Charges - Water	Residential/Commercial	Reconnection Fee	Per Occurance	\$40.00	\$40.00	\$0.00	0.00%
Sewer	Residential	Single Family home, condo, villa or apartment unit	per unit	\$30.09	\$37.33	\$7.24	24.06%
Sewer	Commercial	Commercial	Per SFE*	\$30.09	\$37.33	\$7.24	24.06%
Nonrecurring Charges - Sewer	Residential/Commercial	Sewer Service Connection	Per SFE*	\$1,200.00	\$1,200.00	\$0.00	0.00%
Nonrecurring Charges - Sewer	Residential/Commercial	Account Set-up Fee	Per Customer	\$20.00	\$25.00	\$5.00	25.00%
Nonrecurring Charges - Sewer	Residential/Commercial	Notification fee - service disconnection	Per Occurance	\$15.00	\$15.00	\$0.00	0.00%
Nonrecurring Charges - Sewer	Residential/Commercial	Reconnection w/o elder valve	Per Occurance	\$250.00	\$250.00	\$0.00	0.00%
Nonrecurring Charges - Sewer	Residential/Commercial	Reconnection w/ elder valve	Per Occurance	N/A	N/A	\$0.00	0.00%

Notes:

(1) SFE = Single Family Equivalent

TEGA CAY WATER SERVICE, INC.
2006-97-WS
COST IMPACT TO CUSTOMERS IN PASS THROUGH SERVICE AREAS

Exhibit WJM-10

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Line	Sub	Name	Bulk Supplier	Assumed Monthly Consumption	Effective Bulk Rate per 1,000 Gallons	Assumed Monthly Pass Through Amount	Assumed Monthly Distribution Charge	Total Proposed Monthly Assumed Water Bill
(1)	485	Tega Cay	York County	3,000	3.26	9.78	14.24	24.02
(2)	485	Tega Cay	York County	4,000	3.26	13.04	16.31	29.35
(3)	485	Tega Cay	York County	5,000	3.26	16.30	18.38	34.68
(4)	485	Tega Cay	York County	6,000	3.26	19.56	20.45	40.01
(5)	485	Tega Cay	York County	7,000	3.26	22.82	22.52	45.34
	485	Tega Cay	York County	8,000	3.26	26.08	24.59	50.67
	485	Tega Cay	York County	9,000	3.26	29.34	26.66	56.00

Calculation Notes:

- (1) Information contained in column (e) was calculated using the effective rates of the existing bulk water supplier. Effective rates does not contain the variable base facility charge of the bulk wa
- (2) The charges [base facility and commodity] imposed by the provider would be charged to the Tega Cay's affected customers on a pro rata basis without markup.
- (3) Information contained in column (g) was calculated using the proposed rates from Tega Cay's Application.

Exhibit WJM-11

MARCH 16, 1999

Based upon the directives' of the Circuit Court as contained in Judge Barber's Order and the evidence of record, the Commission finds that a reasonable operating margin that TCWS should have the opportunity to earn is 12.72%. As noted in Judge Barber's Order, the only testimony before the Commission as to a reasonable rate of return for the company was that of TCWS's financial witness, Patricia Cuddie, who testified that a fair and reasonable operating

margin for TCWS is 12.72% and a reasonable return on rate base is 9.62%. Order at 2, 6. In addition, no other evidence of a reasonable operating margin or rate of return was presented. Id. at 2.

TCWS witness Cuddie, a Certified Public Accountant, has been employed by Utilities, Inc. since 1990. During that time she has been involved in rate cases in several jurisdictions and testified before the Commissions in South Carolina, North Carolina, Florida, and Illinois. Her previous employment experience includes approximately two years of public accounting and six years of regional and corporate finance. She testified that a reasonable rate of return on TCWS's investment is a 9.62% rate of return on rate base and an operating margin of 12.72%. No other testimony of a reasonable rate of return was presented to the Commission.

By statute, the Commission's determination of a fair rate of return must be documented fully in its findings of fact and must be based exclusively on reliable, probative, and substantial evidence on the whole record. S.C. Code Ann. § 58-5-240 (H)(Supp. 1998). The South Carolina Supreme Court has recently held that, before the Commission may adopt a rate of return that has not been recommended by any of the expert witnesses, a reasonable explanation for such a conclusion must be given. Porter v. South Carolina Pub. Serv. Comm'n, __ S.C. __, 504 S.E.2d 320 (1998); Porter v. South Carolina Pub. Serv. Comm'n, Op. No. 24847 (S.C. Sup. Ct. filed October 26, 1998). Because the only testimony before the Commission was that a reasonable operating margin for TCWS is 12.72% and as the Commission's prior explanations for setting a lower operating margin were determined by Judge Barber to be improper, the Commission finds that 12.72% constitutes a reasonable operating margin.

Based upon a fair and reasonable operating margin of 12.72%, TCWS is entitled to an increase in its rates and charges for water and sewer operations. The Commission finds that rates and charges depicted in Appendix A, attached hereto and incorporated herein by reference, should be sufficient to allow TCWS an opportunity to earn a 12.72% operating margin. Under the directives from the Circuit Court as contained in Judge Barber's Order, the Commission finds that these rates and charges, as contained in Appendix A, are just and reasonable.

Pursuant to S.C. Code Ann. §58-5-240(D)(Supp. 1997), TCWS has placed into effect under bond the full rate increase requested in this docket. In Order No. 97-643, dated July 30, 1997, the Commission approved a surety bond proposed by TCWS for that purpose. The effect of this Order on Remand will be to approve a rate increase less than that requested by TCWS and placed under bond. Accordingly, upon this Order on Remand becoming final, it will be necessary that TCWS refund the difference between the rates placed into effect under bond and the rates determined to be just and reasonable by this Order on Remand. Further, as provided by S.C. Code Ann. §58-5-240(D)(Supp. 1998), refunds shall bear interest at the rate of twelve percent (12%) per annum. Upon making these refunds, TCWS shall provide to the Commission Staff records or other evidence of payments made by TCWS customers of the rates paid under bonds as required by S.C. Code Ann. §58-5-240(D)(Supp. 1998) as well as evidence or records regarding the refunds so that Staff may verify the refunds.

IT IS THEREFORE ORDERED THAT:

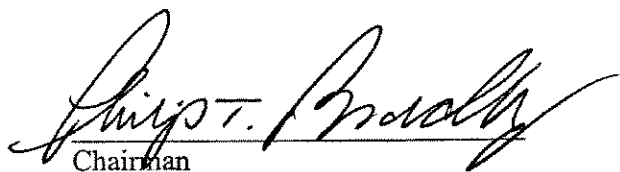
1. The schedule of rates and charges attached hereto as Appendix A is hereby approved for TCWS.

2. Upon this Order on Remand becoming final, any amounts collected by TCWS under bond that exceed the rates and charges in Appendix A shall be refunded with interest at the rate of twelve percent (12%) per annum. As provided by S.C. Code Ann. §58-5-240(D)(Supp. 1998), interest shall commence on the date the disallowed increase is paid and continue until the date the refund is made.


3. TCWS shall provide documentation of the refunds to the Commission Staff. Said documentation shall include records or other evidence of payments made by its customers of the rates under bond, as required by S.C. Code Ann. §58-5-240 (Supp. 1998), and the records of refunds paid by TCWS. The Commission Staff will verify that refunds are made in accordance with S.C. Code Ann. §58-5-240(D) (Supp. 1998) and with this Order on Remand.

4. This Order on Remand shall remain in full force and effect until further Order of this Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

APPENDIX A

TEGA CAY WATER SERVICE, INC.
5701 WEST PARK DR.
SUITE 101
PO BOX 240705
CHARLOTTE, NC 28224-0705
PHONE NO. 704-525-7990

DOCKET NO. 96-137-W/S - ORDER NO. 1999-191

SCHEDULE OF RATES AND CHARGES

EFFECTIVE DATE March 16, 1999

I. WATER

1. CHARGE FOR WATER DISTRIBUTION ONLY

Where water is purchased from a government body or agency or other entity for distribution by the Company, the following rates apply:

- a. Basic Facility Charge \$7.50 per single - family
equivalent unit

PLUS

- b. Commodity Charge: \$1.69 per 1,000 gallons
(Usage)

The Utility will also charge for the cost of water supplied by the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing water will be charged to the Utility's affected customers on a pro rata basis without markup.

- c. The basic facility charge is a minimum charge per unit and shall apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the monthly basic facility charge may be obtained by multiplying the equivalency rating by the basic facility charge of \$7.50.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter. Consumption of all units served through such meter will be averaged; a bill will be calculated based on that average plus the addition of the basic

APPENDIX A - TEGA CAY WATER SERVICE, INC.

DOCKET NO. 96-137-W/S - ORDER NO. 1999-191

Page 2

facility charge per unit and the result multiplied by the number of units served by a single meter.

2. NON RECURRING CHARGES

- | | | |
|----|---|--|
| a. | Tap fee (which includes a water service connection charge and capacity fee) | \$600.00 per single - family equivalent unit *** |
|----|---|--|

The non recurring charges listed above are minimum charges and apply even if the equivalency is less than one. If the equivalency rating is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for and/or initial connection to the water system is requested.

(***Unless prohibited by contract approved by South Carolina Public Service Commission.)

3. RECONNECTION AND ACCOUNT SET-UP CHARGES

- | | | |
|----|---|---------|
| a. | Water reconnection fee | \$40.00 |
| b. | Customer account charges
(One-time fee to be charged to each new account to defray cost of initiating service) | \$30.00 |

4. OTHER SERVICES

Fire Hydrant - One Hundred (\$100.00) per hydrant per year for water service payable in advance. Any water used should be metered and the commodity charge in Section One (1) or Two (2) above will apply to such usage.

II. SEWER

1. MONTHLY CHARGES

- a. Residential - Monthly Charge \$30.09
per single-family house,
condominium, villa, or
apartment unit
- b. Commercial - Monthly Charge \$30.09
per single-family equivalent
- c. The monthly charges listed above are minimum charges and shall apply even if the equivalency is less than one (1). If the equivalency is greater than one (1), then the monthly charges may be calculated by multiplying the equivalency rating by the monthly charge of \$30.09.

2. NON RECURRING CHARGES

- a. Tap fees (which includes sewer \$1,200.00 per single - family
service connection charges and equivalent unit ***
capacity charges)
- b. The non recurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

(***Unless prohibited by contract approved by South Carolina Public Service Commission.)

3. NOTIFICATION, ACCOUNT SET-UP AND RECONNECTION CHARGES

- a. Notification Fee: A fee of \$15.00 shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R.103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.
- b. Customer Account Charge: A fee of \$20.00 shall be charged as a one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.
- c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of \$250.00 shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule

R.103-532.4. The amount of the reconnection fee shall be in accordance with R.103-532.4 and shall be changed to conform with said rule, as the rule is amended from time to time.

III. GENERAL PROVISIONS

1. BILLING CYCLE

Recurring charges will be billed monthly or bi-monthly in arrears. Non recurring charges may be billed and collected in advance of service being provided.

2. LATE PAYMENT CHARGES

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 2%) for each month (or any part of a month) that said payment remains unpaid.

3. TAX MULTIPLIER

Except as otherwise provided by contract approved by the South Carolina Public Service Commission, amounts paid or transferred to the Utility by customers, builders, developers or others, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property transferred to the utility by customers, builders, developers, or others, and properly classified as a contribution or advance in aid of construction in accordance with the uniform system of accounts. Included in this classification are tap fees.

4. TOXIC AND PRETREATMENT EFFLUENT GUIDELINES

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

5. LANDLORD/TENANT RELATIONSHIP

In the case of landlord/tenant relationship where the tenant is the customer, the Utility may require the landlord to execute an agreement wherein such landlord agrees to be responsible for all charges billed to the premises in accordance with the approved tariffs and the Rules of the Commission, and said account shall be considered the landlord's and tenant's account. In the event the landlord refuses to execute such an agreement, the Utility may not discontinue service to the premises unless and until the tenant becomes delinquent on his account or until the premises are vacated. The Utility may discontinue service pursuant to R.103.535.1 if the account is delinquent or may discontinue service at the time the premises are vacated, and the Utility shall not be required to furnish service thereafter to the premises until the landlord has executed the agreement, and paid the reconnection charges.

6. CONSTRUCTION STANDARDS

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed in constructing parts of the water or sewer systems.

7. SINGLE FAMILY EQUIVALENT

The list set forth below establishes the minimum equivalency rating for commercial customers applying for or receiving sewer service from the Utility. Where the Utility has reason to suspect that a person or entity is exceeding design loading established by the South Carolina Pollution Control Authority in a publication called "Guidelines for Unit Contributory Loading to Wastewater Treatment Facilities" (1972), as may be amended from time to time or as may be set forth in any successor publication, the Utility shall have the right to request and receive water usage records from the provider of water to such person or entity. Also, the Utility shall have the right to conduct an "on premises" inspection of the customer's premises. If it is determined that the actual flows or loadings are greater than the design flows or loadings, then the Utility shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its service in accordance with such recalculated loading.

	<u>TYPE OF ESTABLISHMENT</u>	<u>EQUIVALENCY RATING</u>
1.	Airport	
	(a) Each Employee .....	.025
	(b) Each Passenger .....	.0125
2.	Apartments	1.0
3.	Bars	
	(a) Each Employee .....	.025
	(b) Each Seat (Excluding Restaurant) .....	.1
4.	Boarding House (Per Resident) .....	.125
5.	Bowling Alley	
	(a) Per Lane (No Restaurant) .....	.3125
	(b) Additional for Bars and Cocktail Lounges (Per Seat or Person) .....	.0075
6.	Camps	
	(a) Resort (Luxury) (Per Person) .....	.25
	(b) Summer (Per Person) .....	.125
	(c) Day (With Central Bathhouse) (Per Person) .....	.0875
	(d) Per Travel Trailer Site .....	.4375
7.	Churches	(Per Seat)

APPENDIX A - TEGA CAY WATER SERVICE, INC.

DOCKET NO. 96-137-W/S - ORDER NO. 1999-191

Page 7

8.	Clinics	
	(a) Per Staff.....	.0375
	(b) Per Patient .....	.0125
9.	Country Club (Each Member).....	.125
10.	Factories	
	(a) Each Employee (No Showers).....	.0625
	(b) Each Employee (With Showers) .....	.0875
	(c) Each Employee (With Kitchen Facilities).....	.1
11.	Fairgrounds (Per Person Based on Average Attendance).....	.0125
12.	Food Service Operations	
	(a) Ordinary Restaurant (Up to 12 Hours) (Per Seat) .....	.175
	(b) Over 12 Hour Restaurant (Per Seat).....	.25
	(c) Curb Service (Drive in) (Per Seat) .....	.25
	(d) Vending Machine Restaurant (Per Person) .....	.175
13.	Hospitals	
	(a) Per Bed .....	.5
	(b) Per Resident Staff.....	.25
14.	Hotels (Per Bedroom - No Restaurant).....	.25
15.	Institutions (Per Resident).....	.25
16.	Laundries (Self Service - Per Machine).....	1.0
17.	Mobile Homes.....	1.0
18.	Motels (Per Unit - No Restaurant) .....	.25
19.	Nursing Homes	
	(a) Per Bed (No Laundry) .....	.25
	(b) Per Bed (With Laundry).....	.375
20.	Offices (Per Person - No Restaurant).....	.0625
21.	Picnic Parks (Average Daily Attendance) (Per Person).....	.025
22.	Residences (Single Family)	1.0

APPENDIX A - TEGA CAY WATER SERVICE, INC.

DOCKET NO. 96-137-W/S - ORDER NO. 1999-191

Page 8

23.	Rest Homes	
	(a) Per Bed (No Laundry) .....	.25
	(b) Per Bed (with Laundry) .....	.375
24.	Schools	
	(a) Per Person (No Showers, Gym, Cafeteria) .....	.025
	(b) Per Person With Cafeteria (No Gym, Shower) .....	.0375
	(c) Per Person With Cafeteria, Gym & Shower .....	.05
25.	Service Stations	
	(a) Each Car Served (Per Day) .....	.025
	(b) Each Car Washed (Per Day) .....	.1875
	(c) First Bay	2.5
	(d) Each Additional Bay	1.25
26.	Shopping Centers (Per 1,000 sq. ft. Space - No Restaurants) .....	.5
27.	Stadiums (Per Seat - No Restaurants) .....	.005
28.	Swimming Pools (Per Person - With Sanitary Facilities and Showers) .	.025
29.	Theatres	
	(a) Drive in (Per Stall) .....	.0125
	(b) Indoor (Per Seat) .....	.0125

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 96-137-W/S - ORDER NO. 1999-547

AUGUST 4, 1999

IN RE: Application of Tega Cay Water Service, Inc.	)	ORDER ON	✓ MR
for Approval of an Increase in Rates and	)	DISPOSITION OF	
Charges for Water and Sewer Service.	)	UNCLAIMED REFUNDS	

By letter dated June 24, 1999, Tega Cay Water Service, Inc. ("TCWS") filed a letter with the Public Service Commission of South Carolina ("Commission") in which TCWS informed the Commission that it had completed refunds required under Order No. 1999-191. TCWS further advised the Commission that the refunds totaled \$105,019.10 and were posted on April bills, which were mailed on May 7, 1999.

TCWS also advised the Commission that of the total refund amount that \$10,822.92 was posted to the inactive accounts of customers who are no longer served by TCWS. According to TCWS, approximately 350 inactive accounts exist. TCWS also requested that it be allowed to transfer the \$10,822.92 belonging to the inactive accounts to the account of contributions in aid of construction ("CIAC") for the benefit of existing TCWS customers.

The Consumer Advocate for the State of South Carolina ("Consumer Advocate") filed a letter with the Commission opposing the treatment of the monies due inactive accounts advanced by TCWS. The Consumer advocate proposed that the monies due inactive accounts be sent to those customers in a refund check, if the customers can be

reasonably located. In the event the customers cannot be located, the Consumer Advocate proposed that the remaining balance should be returned directly to existing customers via a bill credit. The City of Tega Cay, a party in this docket, filed a letter in support of the Consumer advocate's proposal.

Upon consideration of the request of TCWS as to the disposition of the monies due inactive accounts on the TCWS system, the Commission is advised of the "Uniform Unclaimed Property Act" and in particular S.C. Code Ann. Section 27-18-90(B) (1991) which provides as follows:

any sum which a utility has been ordered to refund and which was received for utility services rendered in this State, together with any interest thereon, less any lawful charges, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than five years after the date it became payable in accordance with the final determination or order providing for the refund is presumed abandoned.

Further, S.C. Code Ann. Section 27-18-40 (1991) provides in relevant part that

...intangible property is subject to the custody of this State as unclaimed property if the conditions raising a presumption of abandonment under Sections 27-18-30 and 27-18-60 through 27-18-170 are satisfied

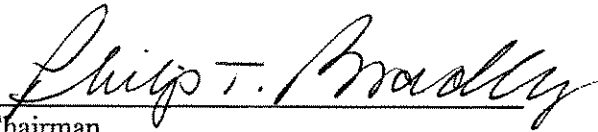
The Commission finds that the Uniform Unclaimed Property Act governs the disposition of any refund money which has not been claimed. Therefore, based upon the provisions of the Uniform Unclaimed Property Act, the Commission concludes that it cannot grant either the treatment requested by TCWS or the treatment proposed by the Consumer Advocate and endorsed by the City of Tega Cay.

IT IS THEREFORE ORDERED THAT:

1. The request of TCWS that it be allowed to transfer the refund monies due inactive accounts to the account of contributions in aid of construction (“CIAC”) for the benefit of existing TCWS customers is denied.
2. The proposal of the Consumer Advocate that any remaining balance of monies due inactive accounts be returned directly to existing customers via a bill credit is also denied.
3. In handling the monies due inactive accounts, TCWS is directed to comply with all applicable state laws, in particular the Uniform Unclaimed Property Act found at S.C. Code Ann. Section 27-18-10 et seq. TCWS is further directed to comply with the reporting and notice requirements of the Uniform Unclaimed Property Act.
4. TCWS shall provide notice to the Commission upon payment or delivery by TCWS of the monies due inactive accounts to the administrator (i.e. the State Treasurer, his agents, or representatives) under the Uniform Unclaimed Property Act.

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 96-137-W/S - ORDER NO. 1999-733

OCTOBER 18, 1999

IN RE: Application of Tega Cay Water Service, Inc.)
for Approval of an Increase in Rates and)
Charges for Water and Sewer Service.) ORDER ON *✓ MR*
CLARIFICATION

This matter comes before the Public Service Commission of South Carolina ("Commission") on the Petition for Clarification or Reconsideration filed by the Consumer Advocate for the State of South Carolina ("Consumer Advocate"). By its Petition, the Consumer Advocate requests that the Commission either clarify or reconsider Order No. 1999-547, dated August 4, 1999, to define the responsibility of Tega Cay Water Service, Inc. ("TCWS") as to locating former customers who are due refunds.

In Order No. 1999-547, the Commission ruled on the disposition of unclaimed refunds which had been required under Order No. 1999-191. *Inter alia* Order No. 1999-191 required TCWS to make refunds to customers of charges collected by TCWS under bond during the appeal of the rate case in this docket. Subsequently, TCWS informed the Commission that it had completed refunds as required by Order No. 1999-191 but also informed the Commission that \$10,822.92 was posted to inactive accounts. TCWS requested that it be allowed to transfer this \$10,822.92 belonging to inactive accounts to the account of contributions in aid of construction ("CIAC"). The Consumer Advocate, as

well as the City of Tega Cay, filed a letter opposing TCWS's proposed treatment of the unclaimed refunds. In Order No. 1999-547, the Commission found that the disposition of the unclaimed refunds was controlled by the Uniform Unclaimed Property Act ("UUPA"). The Commission further found that TCWS's request to treat the unclaimed refunds as CIAC could not be approved and that the Consumer Advocate's request to return the unclaimed refunds to existing customers could not be granted.

By its Petition, the Consumer Advocate notes that under the terms of the UUPA, TCWS will hold the unclaimed refunds for five years before turning the funds over to the state treasurer's office as abandoned property. The Consumer Advocate seeks clarification, or in the alternative reconsideration, as to the responsibility of TCWS during that period as to locating former customers who are due refunds. The Consumer Advocate requests that TCWS be required to take reasonable steps to locate those persons to whom refunds are due and to report the results of its efforts to locate those persons to the Commission. The City of Tega Cay filed a letter in support of the Consumer Advocate's Petition.

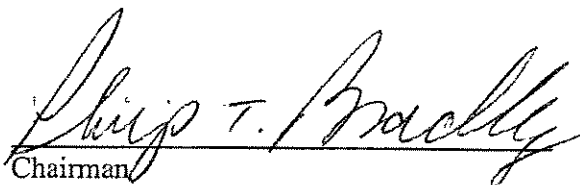
Upon consideration of this matter, the Commission finds the Petition of the Consumer Advocate reasonable and grants clarification of Order No. 1999-547. The Commission hereby grants clarification of Order No. 1999-547 to require TCWS to take reasonable steps to locate those persons to whom refunds are due pursuant to Order No. 1999-191. The Commission directs TCWS to use reasonable means to locate these former customers, including but not limited to obtaining forwarding addresses from the United States Post Office as well as forwarding addresses from the City of Tega Cay.

Further, TCWS shall report to the Commission its efforts undertaken to locating these former customers as well as the results of those efforts.

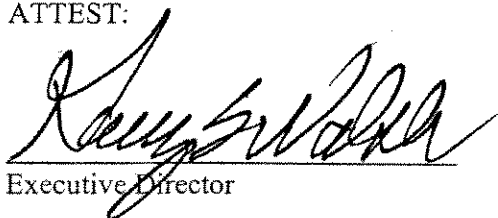
IT IS THEREFORE ORDERED THAT:

1. The Consumer Advocate's request for clarification of Order No. 1999-547 is granted.
2. TCWS shall use reasonable means to locate the former customers to whom refunds are due, including but not limited to obtaining forwarding addresses from the United States Post Office as well as forwarding addresses from the City of Tega Cay.
3. TCWS shall report to the Commission its efforts undertaken in locating these former customers and shall report the results of those efforts.
4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)